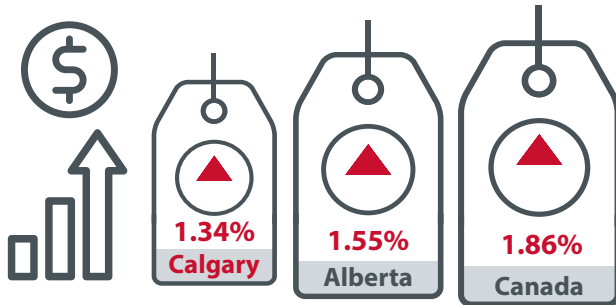


April 2020 Headline Inflation

Comparison is based on 12-month-moving-average of the Consumer Price Index



Major Contributors to Calgary's Inflation Rate April 2020



Inflation Rates

	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Apr-20	Mar-20	Feb-20	Apr-20	Mar-20	Feb-20
Calgary: All-items	100.00	1.34	1.55	1.70	0.42	0.49	0.42
Calgary: All-items excluding food and energy	76.28	1.74	1.74	1.67	0.65	0.50	0.36
Food	16.59	3.71	3.58	3.59	1.21	0.87	0.60
Shelter	26.26	1.23	1.47	1.77	0.12	0.17	0.17
Rented accommodation	5.68	-0.24	-0.16	-0.08	-0.32	-0.24	-0.24
Owned accommodation	15.48	1.90	1.96	2.01	0.52	0.36	0.26
Water, fuel and electricity	5.09	0.53	1.52	3.21	-0.97	-0.39	0.26
Household operations, furnishing and equipment	12.93	-0.16	-0.16	-0.08	-0.16	-0.16	-0.16
Clothing and footwear	5.15	2.38	2.69	2.17	1.54	1.74	1.23
Transportation	20.28	0.55	1.32	1.67	0.14	0.62	0.76
Gasoline	3.26	-16.20	-12.46	-10.23	-6.73	-2.35	0.25
Health and personal care	4.81	1.39	1.39	1.24	0.51	0.43	0.29
Recreation, education and reading	10.49	1.14	1.05	0.87	0.35	0.26	0.17
Alcoholic beverages, tobacco products and recreational cannabis	3.48	0.47	0.53	0.58	0.06	0.00	0.00
Alberta: All-items	100.00	1.55	1.84	1.91	0.42	0.49	0.42
Alberta: All-items excluding food and energy	76.28	1.96	1.96	1.97	0.65	0.50	0.36
Canada: All-items	100.00	1.86	2.02	2.09	0.44	0.44	0.37
Canada: All-items excluding food and energy	77.01	2.02	2.02	2.03	0.61	0.46	0.31

* Consumer Price Index (CPI) basket weights are based on the 2017 Survey of Household Spending, modified on February 2019. Sources: Statistics Canada, Corporate Economics, May 20, 2020

Calgary Local Inflation Conditions and Contributing Factors

In April 2020, the Consumer Price Index (CPI) increased by 1.3 per cent on a twelve-month-moving-average* base. It decreased by 0.56 per cent from April 2019.

The COVID-19 lockdowns in March and into April have contributed to lower energy prices as the demand for fuels collapsed. Monthly inflation pressure was negative in April 2020, pushing back year-to-date inflation to February 2020 levels. The year-to-date inflation in April was 0.42 per cent compared to 0.50 per cent in April 2019.

The major contributor to the April 2020 annual inflation rate was the cost of food and shelter. It added 0.93 percentage points to the inflation rate, higher than the 0.92 percentage points to the annual inflation rate in April 2019.

The second significant contributor to inflation was transportation. It added 0.11 percentage points to the April 2020 annual inflation rate. The main reason for lower transportation costs in April 2020 was the fall in the cost of gasoline caused by lower oil prices. The inflationary contribution of transportation in April was less than 50 per cent of what it was in March.

Excluding transportation, food and shelter costs, the annual average CPI was marginally higher in April 2020 compared to April 2019.

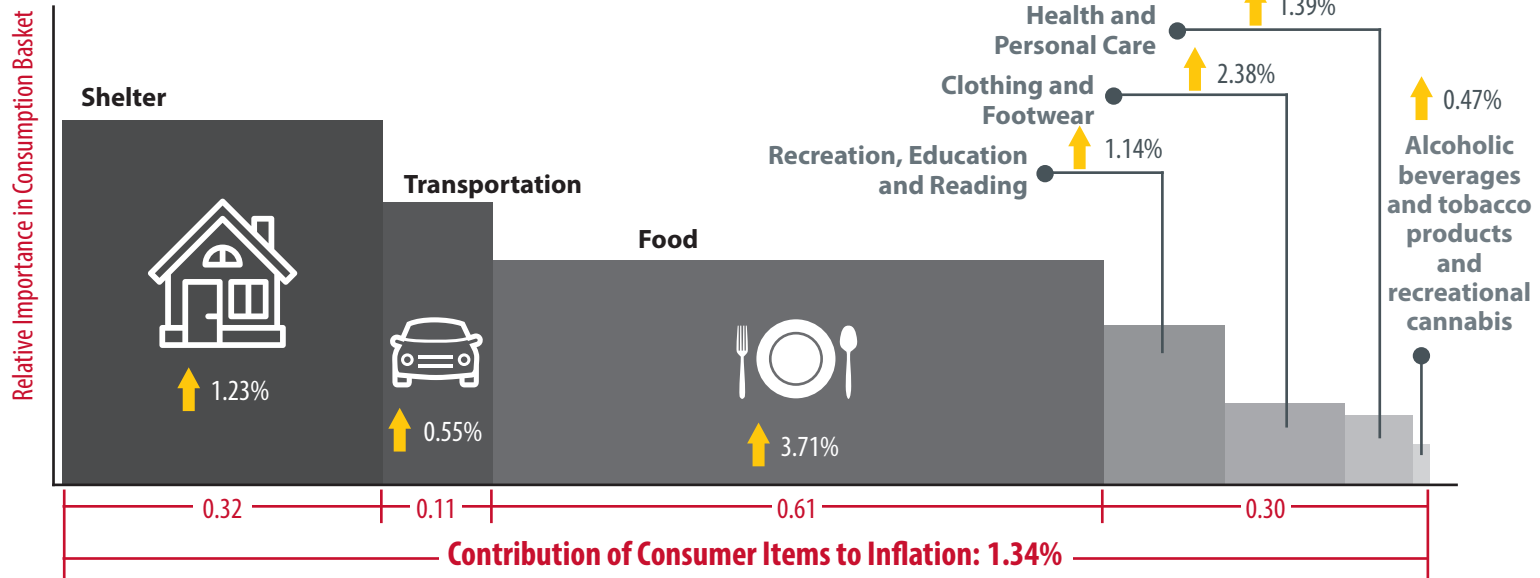
External Inflation Conditions and Contributing Factors

The CPI for Alberta and Canada In April 2020, increased by 1.6 and 1.9 per cent respectively on a twelve-month-moving-average. Compared to April 2019, both CPI had fallen by 0.49 and 0.22 per cent correspondingly.

In Alberta, cost of food increases was primarily from fresh vegetables and assorted fresh or frozen meats. The cost of electricity was the main driver of higher shelter costs. Increases in passenger vehicle insurance premiums added small cost on transportation, similar to March.

* 12-month-moving average is a statistical tool used to determine the trend of monthly data. This is done by taking an average over a 12-month consecutive data series.

Calgary Census Metropolitan Area Share of Goods and Services of a Typical Urban Dweller Consumption Basket, 2017 Weights, April 2020



Sources: Statistics Canada, Corporate Economics, May 20, 2020

Next release: June 17, 2020

Glossary:

Headline Inflation: This is the inflation rate measured using all components of the consumer basket of goods and services.

Core Inflation: This is the inflation rate after excluding food and transportation from the consumer basket of goods and services.

Overnight Rate: The interest rate the Bank of Canada charges commercial banks to borrow money.

Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and have developed reliable methods of forecasting and analysis.

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Sources: Statistics Canada, Bank of Canada, Corporate Economics